

### INSURANCE REQUIREMENTS AND CERTIFICATES OF INSURANCE

A certificate of insurance is defined in the law as a document (including an electronic record) that is executed by an insurer, agent or broker and issued to a third party as a statement or summary of property or casualty insurance coverage. A certificate of insurance is not a binding document. The certificate of insurance is an indication that a policy is in effect.

Below are the most commonly requested types of coverage's by the university. Other lines of insurance may be required for certain types of exposure and limits of liability may vary depending on the type contract. Most of the standard Office of Contracts Administration agreements include the applicable university's insurance requirements.

<u>Type of Coverage</u>	<u>Limits of Liability</u>
<u>All Vendors:</u>	
Commercial General Liability	\$ 1,000,000 per Occurrence
<u>If the vendor is coming on campus:</u>	
Worker's Compensation	Statutory Limit-State of Texas Including Employers Liability \$ 1,000,000 per accident
Commercial Automobile Liability	\$ 1,000,000 Combined Single Limit
<u>For Engineers, Architects or Professional Services:</u>	
Professional Liability	\$ 5,000,000 per Occurrence
<u>For Builders Only:</u>	
Builder's Risk Coverage	Cost of construction project, including protection against named windstorm and flood.

**Additional Insured:** If an organization is named an Additional Insured on a policy, it extends the insurance coverage to the organization. Principally, this means that the organization can make a claim directly against the insurance policy. Additional Insured Endorsements are required for Commercial General Liability and Automobile Liability Policies. This must be stated on the Certificate of Insurance.

**Waiver of the Right of Subrogation:** Insurance companies often pay claims to their insured and then file a claim with the liable party to recover the loss which is called subrogation. The waiver of subrogation is required for all policies to prevent the insurance company from recovering monetary damage from the university. This must be stated on the Certificate of Insurance.

**Maintenance Responsibility:** The Department managing the contract is responsible for maintaining the certificates of insurance. The vendor should be provided with the name and mailing address of the individual responsible for the contract maintenance so the certificate will be sent to the appropriate person. The certificates of insurance should be kept in the department's file containing the contract. It is important to verify the expiration dates of the insurance policies to be sure certificates of insurance are maintained throughout the life of the contract.